



CONTRACTS & AGREEMENTS

ECM INDEX DATA

File Location

Vendor Name

Document Type: Interlocal Amendment

Vendor Name: KC WATER DISTRICT NO 1

PO# Location: INTRLOC-002

Effect Date: 9/26/2015

Term Date: 12/31/2099

CR#: 56011

Related CR#: 35121 37991

Ordinance:

Resolution: 8974

Leg Date: 9/21/2015

Vendor #: 33426

Description: AMD#2 INTERLOCAL AGREEMENT FOR PURCHASE OF WATER
SUPPLY SYSTEM IMPROVEMENTS AND MAINTENANCE AND
OPERATIONS PO 511077-002 XREF- 35121 37991

KC WATER DIST NO 1
12/31/2099

Notes:

INTLOCAL AGREEMENTS
10/31/2015

Oct 12, 2015 FSU: *M* JDE: *M* SI: *M* ECM: *M*

**INTERLOCAL AGREEMENT
for
PURCHASE OF WATER SUPPLY, SYSTEM IMPROVEMENTS
AND MAINTENANCE & OPERATIONS
BETWEEN
CITY OF BELLEVUE AND KING COUNTY WATER DISTRICT NO. 1**

AMENDMENT NO. 2

THIS AGREEMENT is made by and between the City of Bellevue, a municipal corporation, in King County, Washington ("Bellevue"), and King County Water District No. 1 ("District") for the purposes set forth herein.

RECITALS

WHEREAS, on January 29, 2004, the City of Bellevue and King County Water District No. 1 entered into an Interlocal Agreement to provide for the maintenance and operation of the District's water system by the City, leading to the eventual assumption of the District's water facilities and service area by the City and the dissolution of the District; and

WHEREAS, the ILA provides that Bellevue will assume the District after the effective date of specific legislation authorizing such assumption and upon the disbursement of all cash assets of the District; and

WHEREAS, legislation authorizing the assumption is now effective, but the District has not completed disbursement of cash assets; and

WHEREAS, on August 10, 2005, Bellevue and the District executed Amendment No. 1 to the ILA revising, among other things, the ILA's indemnification section; and

WHEREAS, with the exception of the disbursements, Bellevue has taken over all operation and maintenance of the District water system, requiring amendment to the ILA's indemnification provision;

NOW, THEREFORE, Paragraph II.J of the above-reference Interlocal Agreement and Amendment No. 1 between King County Water District No. 1 and the City of Bellevue, effective January 29, 2004 and August 10, 2005, respectively, are hereby amended to read as follows:

II. TERMS OF AGREEMENT

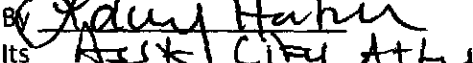
J. Liability for Claims and Damages -- Indemnity and Hold Harmless. The City shall protect, defend, indemnify and save harmless the District, its officers, official, employee and agents, from any and all costs, claims, judgments and/or awards of damages, arising out of, or in any way resulting from, the operation, maintenance, improvement, repair, replacement and management of the water supply system serving the District. The District shall protect, defend, indemnify and save harmless the City, its officers, official, employee and agents, from any and all costs, claims, judgments and/or awards of damages, arising solely

out of, or in any way resulting solely from, the acts or omissions of the District commissioners and agents and the calculation of customer subsidies on bills. Except as provided above in this Section, each party shall protect, defend, indemnify and save harmless the other, its officers, officials, employees and agents, while acting within the scope of their employment as such, from any and all costs, claims, judgments and/or awards of damages, arising out of, or in any way resulting from, each party's own negligent acts or omissions. Each party agrees that its obligations under this Section extend to any claim, demand and/or cause of action brought by, or on behalf of, any of its employees or agents. For this purpose, each party, by mutual negotiation, hereby waives, with respect to the other party only, any immunity that would otherwise be available against such claims under the Industrial Insurance provisions of Title 51 RCW. If any party incurs any judgment, award and/or cost arising therefrom, including attorneys' fees, to enforce the provisions of this Section, all such fees, expenses, and costs shall be recoverable from the responsible party to the extent of that party's culpability.


Remaining Terms. All remaining terms of the existing 2005 Water Facilities Agreement, as amended by Amendment No. 1, remain in effect, copies of which are attached hereto.

Amendment Effective Date. This Amendment No. 2 shall take effect on the fifth day after approval by the legislative bodies of both parties and due execution as set forth below. This Amendment No. 2 may be signed in counterparts and, if so signed, shall be deemed as one integrate document.


Approved as to Form
Bellevue Legal Counsel

By 
Its Asst. City Atty
Dated 9/23/15


King County Water District No. 1 Legal Counsel

By 
Its Legal Counsel
Dated 9/30/15

CITY OF BELLEVUE ("Bellevue")

By 
Its Dep. City Manager
Dated 9/28/2015

KING COUNTY WATER DISTRICT NO. 1 ("District")

By 
Its Pres. Dept
Dated 9/30/2015

Related Contract Information:

Amendment/change order/renewal? Yes
Amendment #: 2
Amendment Effective Date: Date Sign +5
Original PO #: 511077
Original Contract Value:
Total value of Previous Change Orders:

Budget Information:

Line #	Description	GL Date	Account #	Subtotal	Tax	Total
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Additional Comments:

Not sure exactly how this applies to all of the questions above. This is specialized. Any account #'s can be provided by Martin Chaw at X-7199. Or call me Lori McCuiston at Ext. 5360 and I'll find the answers. No Fiscal Impact.

CONTRACT REVIEW CRITERIA

Dept.	PS	
<input type="checkbox"/>	<input type="checkbox"/>	Does the Contract Routing/Approval Form and Contract have consistent information?
<input type="checkbox"/>	<input type="checkbox"/>	Is the Contract Type and template appropriate for the services performed?
<input type="checkbox"/>	<input type="checkbox"/>	Are the contract values (i.e aggregate values, yearly budget totals, taxable amounts, acct. numbers, etc.) accurate?
<input type="checkbox"/>	<input type="checkbox"/>	Is the JDE vendor name and number accurate?
<input type="checkbox"/>	<input type="checkbox"/>	Does the Company have a Bellevue Business License? If not, date Tax Office was notified? _____
<input type="checkbox"/>	<input type="checkbox"/>	Do the Contract Start/End Dates comply with current policies (maximum 4 years unless exception noted)?
<input type="checkbox"/>	<input type="checkbox"/>	Is this an amendment or renewal? If so, are the original contract #'s and values indicated?
<input type="checkbox"/>	<input type="checkbox"/>	Has the Selection Method been explained in Additional Comments? Are results attached?
<input type="checkbox"/>	<input type="checkbox"/>	If there is an ordinance/resolution/motion for this contract, are the date and # noted and a copy attached?
<input type="checkbox"/>	<input type="checkbox"/>	Does the contractor meet requirements of the Independent Contractor Threshold question?
<input type="checkbox"/>	<input type="checkbox"/>	Is Attachment "A" (Scope of Work and/or Services) attached?
<input type="checkbox"/>	<input type="checkbox"/>	Is Attachment "B" (Insurance Requirements) attached?
<input type="checkbox"/>	<input type="checkbox"/>	Are any additional riders required? If so, which one's? _____
<input type="checkbox"/>	<input type="checkbox"/>	Does Insurer have a Best rating of A- or better?
<input type="checkbox"/>	<input type="checkbox"/>	Is the Contractor identified as the insured?
<input type="checkbox"/>	<input type="checkbox"/>	Does the Contractor have Commercial General Liability, Commercial Auto Liability, Worker's Compensation, and Employer's Liability/Stop Gap and special coverages as required?
<input type="checkbox"/>	<input type="checkbox"/>	Are the policy expiration date(s) on the Certificate of Insurance current?
<input type="checkbox"/>	<input type="checkbox"/>	Does the Contractor have a self-insured retention? Is it above \$50,000?
<input type="checkbox"/>	<input type="checkbox"/>	Is the City listed as the Certificate Holder?
<input type="checkbox"/>	<input type="checkbox"/>	Is the Certificate signed?
<input type="checkbox"/>	<input type="checkbox"/>	Is the City of Bellevue (& contracting partners) listed as an additional insured on the Certificate of Insurance? Is the additional insured status primary and non-contributory?
<input type="checkbox"/>	<input type="checkbox"/>	If this contract requires the payment of Prevailing Wages, are current Wage Rates referenced in Attachment "C"?
<input type="checkbox"/>	<input type="checkbox"/>	Does the Contractor have an open account with the Washington State Department of Revenue?
<input type="checkbox"/>	<input type="checkbox"/>	Are the Contractor's worker's compensation premiums current?
<input type="checkbox"/>	<input type="checkbox"/>	Does the Vendor have an active Professional/Contractor License with the Washington State Department of Licensing?
<input type="checkbox"/>	<input type="checkbox"/>	Is the Vendor on the Federal Debarred Suspended List?

RISK MANAGEMENT:

- ☐ Are the Insurance Requirements (Attachment B) appropriate for Scope of Work?
- ☐ Does the Contractor's Certificate of Insurance comply with the requirements?
- ☐ Are there any Limitations of Liability clauses or other risk transfer language problems that shift risk back to the City?
- ☐ Does the Hold Harmless clause include language referencing Title 51 releases?

ORIGINAL

CITY OF BELLEVUE, WASHINGTON

RESOLUTION NO. 8974

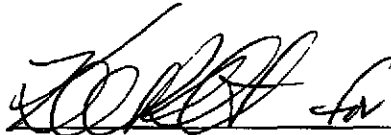
A RESOLUTION authorizing execution of Amendment No. 2
to the existing Interlocal Agreement with King County Water
District No. 1.

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES
RESOLVE AS FOLLOWS:

Section 1. . The City Manager or his designee is hereby authorized to
execute Amendment No. 2 to the existing Interlocal Agreement with King County
Water District No. 1, a copy of which amendment has been given Clerk's Receiving
No. 56011.

Passed by the City Council this 21st day of September, 2015,
and signed in authentication of its passage this 21st day of September,
2015.

(SEAL)



Claudia Balducci, Mayor

Attest:



Kyle Stannert, Acting City Clerk

September 21, 2015

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT

Resolution No. 8974 authorizing execution of Amendment No. 2 to the existing Interlocal Agreement with King County Water District No. 1.

FISCAL IMPACT

This Interlocal Agreement Amendment No. 2 has no financial obligations.

STAFF CONTACT

Nav Ota, Director, 425-452-2041

Andrew Lee, Deputy Director, 425-452-7675

Utilities Department

POLICY CONSIDERATION

The City of Bellevue and King County Water District No. 1 strive to provide the most efficient means of providing water service to our customers. Bellevue and the Water District are authorized to enter into an Agreement pursuant to and in accordance with the State Interlocal Cooperation Act, Chapter 39.34 RCW.

Should the City of Bellevue authorize Amendment No. 2 which would indemnify the water district for potential liabilities arising from operations and maintenance activities that the City performs for the water district?

BACKGROUND

In January 2004, the City of Bellevue and King County Water District No. 1 entered into an interlocal agreement (ILA) whereby the City agreed to assume the operations and maintenance of the District's water system. The two parties agreed that the City would eventually fully assume the District at some point in the future once the District had disbursed all of its remaining cash assets to its customers through water bill credits. Based on the current rate of disbursements, full assumption of the District would not occur for another 20 or 30 years, whereas it was originally projected that full assumption would occur within a few years after the ILA was signed.

In 2014, the District contacted City staff regarding the District's insurance payments, and whether the City would agree to amend the 2004 ILA to include an indemnification clause for operations and maintenance activities of the water system. An indemnification would enable the District to lower its insurance payments, which would in turn lower the water rates for its customers. The City is agreeable to such an indemnification clause for the following reasons:

- Amending the existing ILA to include an indemnification clause for operations and maintenance activities would not mean additional risk allocation to the City. In accordance with the 2004 ILA, the City currently performs and has performed for the past 11 years, all of the operations and maintenance activities for the water system assets, which includes "operation, maintenance,

improvement, repair, replacement and management of the water supply system serving the District ” The City currently bears the liability for performing those activities.

- The proposed Amendment No. 2 limits the indemnification to “costs, claims, judgments and/or awards of damages” arising out of or resulting from operations and maintenance activities. The amendment clearly indicates that the District is still liable for acts or omissions of its commissioners or agents and the calculation of customer subsidies on bills.
- The original agreement included several protections for the City, to avoid transference of liabilities that should still apply to the District for the timeframe immediately following the end of ILA. These protections would be eliminated through the indemnification. However, the past 11 years since the original ILA have demonstrated that the risk exposure of eliminating those protections is insignificant. In addition, in accordance with the original ILA, the City had always intended on assuming the District and thereby taking on full liability for the District’s water system assets.

EFFECTIVE DATE

If approved, this Resolution becomes effective immediately upon Council adoption.

OPTIONS

1. Approve the Resolution to sign the Amendment
2. Do not approve the Resolution and provide alternative to staff

RECOMMENDATION

Option 1.

MOTION

Move to approve Resolution No. 8974 authorizing execution of Amendment No. 2 to the existing Interlocal Agreement with King County Water District No. 1.

ATTACHMENTS

1. Proposed Amendment No. 2 to Interlocal Agreement between King County Water District No. 1 and the City.
2. Proposed Resolution No. 8974

AVAILABLE IN COUNCIL DOCUMENT LIBRARY

Interlocal Agreement for Purchase of Water Supply, System Improvements, and Maintenance and Operations between King County Water District No. 1 and the City of Bellevue, January 20, 2004
Interlocal Agreement Amendment No. 1, August 10, 2005

CR# 56011Date: 10-22-15 PO # & Loc: 511077-002

City of Bellevue
Finance Department - Procurement Services
450 110th Ave. NE. Bellevue, WA 98004

Contract Routing Form

Current Contract Information:

Contract Title: Interlocal Agreement for Purchase of Water Supply, System Improvements and Maintenance & Operations between COB and KCWD No. 1 - Amendment #2

Contract Description: Interlocal Agreement with King County Water District No. 1

Total Contract Value:

This Amendment Value: N/A

Department: Utilities City Hall- 567

Contract Manager: Andrew Lee

Contract Type: Interlocal Agreement (ILA)

Contract Form: Custom contract document

Budget Expenditure: No Budget Impact (Explain in Additional Comments)

Maximo User: No

INT

Vendor Information:

New Vendor? No

Vendor Name: King County Water District No. 1

JDE Vendor Number: 33426

Independent Contractor? Yes

COB License #:

UBI #:

Contractor's Lic. #:

Contract Term:

Original Effective Date: Date Sign+5

End Date: N/A

Subject To:

Council Approval:

Does this contract require council approval? Yes

Route:

Procurement Services:

ACalder

In
9/16/15Out
9/16/15

Information Technology:

Not Required

Legal:

R. G. H. H.

9/17/15

9/23/15

Insurance Reviewed By:

R. G. H. H.

9-23-15

9-23-15

Department Director:

R. G. H. H.

9/30/15

10/8/15

Procurement Services:

R. G. H. H.

Return To:

Lori McCuiston

City Clerk's Office:

M. T. T. T.

10-22-15

10-22-15

RISK
CMO